

I genuinely believe that we can replicate the same success that we have had in Florida all across the United States by passing the No Child Left Behind Act of 2001, and I urge my colleagues to support this important education reform legislation.

#### THE BUDGET RESOLUTION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Wisconsin (Mr. KIND) is recognized for 60 minutes as the designee of the minority leader.

Mr. KIND. Mr. Speaker, I want to first of all start my remarks this evening by commending the chairman of the Committee on the Budget, my friend, the gentleman from Iowa (Mr. NUSSLE), as well as our ranking member, the gentleman from South Carolina (Mr. SPRATT), given the collegiality and the civility that they have demonstrated in the course of putting together a budget resolution, whether it was the work that they specifically were involved with on the committee in putting together the package that we started debate on tonight and will finish tomorrow but also the conduct of the debate that we saw here this evening. I think they demonstrated by their leadership that we can have some real differences of opinion on what the best direction is that we should be taking for the sake of the country, have differences of opinion in regards to what the budget resolution should look at but do so in a civil manner. I think that was demonstrated here this evening.

Mr. Speaker, I wanted to take this time, along with a few of my colleagues from the new Democratic Coalition, to continue the discussion that we are having on the budget resolution this evening. This is a very important time in the legislative process of this session of Congress because it is the budget resolution that establishes the broad frameworks that we will be filling in the spaces and the details throughout the course of this legislative year that will set the tone in regards to many of these programs, the size of tax cuts, the commitment to debt reduction, the commitment to trying to preserve and protect Medicare and Social Security for future generations. We want to devote a little bit more time this evening in regards to where we see things going as part of the new Democratic Coalition.

It is a coalition that comprises roughly 80 Members now within the Democratic Caucus. We believe in pro growth strategies. We believe in the necessity to reduce the national debt. We believe in tax relief for working families, and we believe that there are also some very crucial investments that we need to make collectively as a nation in order to see the type of economic

progress and the expansion of economic opportunities, not just in the coming year but for future years.

Many of us have some severe reservations in regards to the Republican budget resolution that has been submitted; not the least of which is that the cornerstone of what they are offering is a very large, very sizable tax cut that is based on economic forecasts not this fiscal year or even next year but over the next 10 years.

Many of us believe that if surpluses do, in fact, materialize during the course of future years, and many of us hope that they will, that the economy will remain strong; that the current projections will prove accurate; that this is an excellent time for us to get serious on national debt reduction; to be serious about finding some long-term bipartisan solutions to preserve Medicare, Social Security; deal with the rising crisis that we have in this Nation in regards to the cost of prescription drugs, while also being able to deliver a responsible tax relief package that all Americans will benefit from.

□ 2200

That is where our major point of contention is with the Republican proposal. We believe in tax relief like they do, but we would like to see tax relief that is done in a responsible and fair manner.

There have been a lot of numbers bandied about during the course of this evening and undoubtedly they will again tomorrow; but basically, the corner of the budget resolution that the gentleman from Iowa (Mr. NUSSLE) and his committee has reported out calls for a \$1.6 trillion tax cut over 10 years. To be honest, this is not tax relief that will happen this year or to any great extent next year; but most of the tax relief that they are talking about is backloaded severely to the 6th, 7th, 8th, 9th year from now. They have to do that for one simple reason: we do not have the surpluses and no one is predicting that the surpluses will be generated within the next 5 years, at least, in order to pay for a tax cut of that magnitude, so they have to backload it, hoping that the surpluses will, in fact, materialize 8, 9, 10 years from now.

Now, the average person in my district knows what is going on with this game. In fact, many of them are highly suspicious of these 10-year forecasts. They know that this is very speculative, these forecasts that are being bandied about right now, that no one can predict with any degree of certainty what the economy is going to be doing next year let alone what it will be doing 8, 9, 10 years from now. In fact, it has been said that God created economists in order to make weather forecasters look good. That is exactly what we are talking about, when we

are talking about economic forecasts and projected budget surpluses that may or may not materialize 7, 8, 9 years from now.

There was a lot of talk earlier this evening that this tax cut they are offering does not even compare to the size of the tax relief that President Kennedy introduced back in 1960, that Ronald Reagan had introduced with his economic plan back in 1981, and perhaps in real dollar terms, the size of it does not compare. However, there is one very important significant difference, and that is the context in which these tax cut proposals were offered back in 1960, 1981, and today. Because I submit that back in 1960 and 1981, they were looking at an entirely different economic and demographic situation than we are today.

We could afford to take a chance back in 1960 and 1981 to pass large tax cuts because of two very important reasons. One was that we did not at that time have a \$5.7 trillion national debt staring us in the face that is draining precious resources from the Federal budget every year just on the interest payments that we are making on our national debt, which totaled over \$220 billion alone in the last fiscal year. That money is money that could be better spent for tax relief, for instance, for investments in education, in math and science programs and basic scientific and medical research in this country, but it is not. It is not because there is a large \$5.7 trillion national debt that we have to make interest payments on, which comprises roughly the third largest spending program in the entire Federal budget.

But back in 1960, they were still keeping the budget in relative balance. In fact, during the decade of the 1960s, they were exercising fiscal discipline and responsibility by maintaining budgets that were within balance. In fact, the last time before the 1990s that we had a balanced budget in this country was 1969, LBJ's last budget that he submitted in his last year in office. Also, back in 1981 we were not looking at a \$5.7 trillion national debt. I believe back then the national debt was roughly \$1 trillion as opposed to what we are facing today.

So there is a significant difference between what we are calling for today and what the circumstances that existed back then were.

The other significant difference is that they were not at that time facing a demographic time bomb waiting to explode. By that I mean the aging population that we have in this country, the baby boomers who are all going to start to retire at approximately the same time early next decade entering the Medicare and the Social Security programs, bringing incredible fiscal pressure to bear if we cannot find long-term reforms for those programs, and that is something that I feel is getting

lost in this debate. There is so much focus on the next 10 years which do look relatively optimistic when we look at budget situations, economic forecasts; but what is missing in the debate is what the second 10 years are going to look like in this century, and that is where I am afraid things are going to come home to roost.

Mr. Speaker, if we make bad decisions today, if we gamble on these projected surpluses today, lock in on large tax cuts that do not materialize, finding ourselves in a position of not being able to afford them, going back to a series of years as we just came out of during the 1980s and early 1990s of annual structural deficits, adding to, rather than reducing, our national debt, I am very concerned then about our children's capacity and our grandchildren's capacity to deal with that type of fiscal situation that they will be asked to have to deal with. That is a significant difference.

Just to tell my colleagues briefly how tenuous these forecasts really are, even according to the Congressional Budget Office that is offering these numbers that a lot of people are basing the tax cuts upon, they are telling us that if we are off by just one-tenth of 1 percent of GDP growth over the next 10 years, that translates into \$250 billion of surplus that we will be off. So if we are off by even a half a percentage point on GDP growth in 10 years, that is roughly \$1.5 trillion that we will be off with our surplus calculations, which I think is very speculative and very risky at this time.

The demographic aspect of what is happening I think is equally compelling. Let me show this graph briefly. Everyone in the House realizes that over half of the projected surplus is surplus that is generated by the surpluses in both the Social Security and the Medicare trust fund. We are collecting more than what is needed to go out in Social Security and Medicare. This is a great time in order to download the national debt so we are in a better position to deal with the baby boom generation's retirement.

This graph illustrates what the next 10, 20, 30 years are going to look like in regards to those surpluses in the Social Security Trust Fund. Over the next 10 years, we are running some surpluses; and to a large extent, this budget resolution is based on those surpluses. But what has not been discussed in any great detail is what the second 10 years and beyond look like in the Social Security Trust Fund. We are going to have some unfunded liabilities that are going to come due starting early next decade with the baby boomers starting to retire. That black ink, red on this chart, suddenly turns into a sea of red ink that we need to come to grips with.

Mr. Speaker, this is as good a time as any for us to start looking in generational terms when we start mak-

ing some of these budget decisions that we now have. Most of the decisions that I make when it comes to the budget and the fiscal policies that we pass, I try to make through the eyes of my two little boys who are just 4 and 2. I could not think of anything more patently unfair to do to them and their economic future than to saddle them with a large national debt because we did not have the courage to do something about it when we had a chance, or to make it more difficult for them to deal with an aging population in this country, when we have an opportunity with economic forecasts and surpluses that hopefully will materialize, to make the reforms that are needed to preserve and protect Social Security and Medicare, to make sure that we pass a prescription-medication component in this year's budget, to download the national debt as much as we can humanly do so that we are in a better position next decade of dealing with some of these other fiscal challenges that we are going to face, as well as making the crucial investments that need to be made in education programs, job training programs, research into medicine and the sciences, and a greater emphasis on math and science in the country generally.

So this is hopefully something that will be discussed in greater detail in the coming weeks as we develop the budget, in the coming months as we work on the budget details, because way too much emphasis, I am afraid, is being placed on economic forecasts that are so far out into the future that I would venture to guess that no one really, in all honesty, would be willing to bet their own personal finances on the realization of those forecasts today, when there is so much uncertainty in the air.

Mr. Speaker, at this time I yield to the gentleman from New Jersey (Mr. HOLT), my good friend, who I serve with on the Committee on Education and the Workforce, one of the foremost leaders on emphasizing the importance of math and science and scientific research on budget issues.

Mr. HOLT. Mr. Speaker, I thank the gentleman from Wisconsin. I would like to pick up on a point that the gentleman made. The Congressional Budget Office, not a Democratic organization nor, for that matter, a Republican organization, has talked about the uncertainty in the budget projections; and they have made it clear that what looks like a surplus in some of the future years could actually be a deficit.

Now, we have a surplus today, an honest-to-goodness surplus, and the projections that tell us that we will have a net surplus to work with of more than \$5 trillion have been gone over by lots of experts; and these projections are every bit as good, I would say, as the projections of several years ago that said we would be in deficit

right now. So we should keep that in mind.

But the Democratic alternative budget that calls for paying down more debt and somewhat smaller tax cuts is arrived at not out of fear. This is not a fear of that uncertainty; this is not an eat-your-spinach austerity budget. No. We are trying to do, really, what the other side has said, which is to put more money in the pockets of the people of America, of the working families.

Mr. Speaker, we want to give a tax cut, not like the Republicans, one that pays off 6 or 8 or 11 years from now; and we want to pay down the debt. We would pay down the debt as rapidly as possible, more rapidly than the majority's budget.

This is not only the responsible thing to do, but it is important in demonstrating that our government has fiscal discipline, financial discipline. This leads to greater investor confidence and greater consumer confidence, lower interest rates, and that alone would put more money in the pockets of Americans, every homeowner getting a mortgage, every farmer buying a combine, every student with a student loan, every small businesswoman raising capital. And if we add to that the fact that what we are trying to do is to create a budget that leads to productivity growth, productivity growth that powers our economy leads to people having jobs. If we are going to have that productivity growth, we need a smart, well-trained workforce and we need new ideas.

Quite simply, we need to invest in education and we need to invest in research and development. In both of those areas, our budget does a better job than the majority party's budget. Mr. Speaker, in other words, we want to invest in teacher recruitment, teacher training, smaller class sizes, Pell Grants that will help everyone have the advantage of a college education. The Republican budget quite simply shortchanges the American people in education and in research.

So the Democratic budget is not an austerity budget. By paying down the debt, by investing in education and research, we are convinced that we will have a richer country; and that, I think, has been lost in the debate tonight. Yes, we can talk about who is spending more on this program and who is spending more on that program, but what we think we will end up with here is a program that is more fiscally responsible because we do not commit money over the long term when there is uncertainty in the projections, and we invest in those things that are necessary to have the economic growth that we need.

I thank the gentleman for putting together this discussion. There are a lot of differences in what the majority budget has and what we propose to do.

Mr. KIND. Mr. Speaker, I appreciate the gentleman's comments tonight. He makes a very valid point, one that will just take a second to emphasize again, and that is that Chairman Greenspan, whether he deserves it or not, has received a lot of credit in regards to the economic circumstances in the country. A lot of people listen to what he has to say; and he has consistently since day one, when he comes before the Committee on the Budget or the Committee on Financial Services testifying, emphasizes debt reduction, talking about the merits of debt reduction, how it will help the Federal Reserve interest rates, which is really the true economic stimulus in the economy; by making it cheaper for businesses to invest capital in their business, create more jobs, increase worker productivity. Then the average worker is going to see financial relief through lower interest rates, lower mortgage payments, car payments, credit card payments and, as the gentleman mentioned earlier, student loan payments will be cheaper to do. That is real money in real people's pockets as well, so there is a lot of value to continuing to emphasize debt reduction.

□ 2215

If the gentleman will yield, the Democrats would retire all redeemable public debt by 2008. The Republicans' budget would not.

Mr. KIND. Mr. Speaker, that is a very important point, a very important difference between the competing budget resolutions.

Mr. Speaker, I yield to my good friend, the gentleman from North Carolina (Mr. PRICE), one of the true authority figures when it comes to budgetary matters here in the House of Representatives.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman for yielding.

I would like to begin by picking up on the point our colleague, the gentleman from New Jersey, was making about debt retirement. It seems strange to see our Republican colleagues arguing that, really, we had better not retire too much debt. After years and years and years of piling up debt and red ink and deficit spending, here we finally see the light of day. We are running modest surpluses, and we have the opportunity to reduce that mountain of debt.

Let us remind ourselves, that debt is not just an abstract number, that debt is costing this country over \$200 billion a year in interest payments alone. Think what we could do with that money. Think of the more profitable public and private investments that could be made with that over \$200 billion. We need to systematically and in a disciplined way get that debt paid down.

It seems to me that our Republican friends are making a couple of mis-

takes. In the first place, they are underestimating how much of that debt we can pay down over the next 10 years without incurring unreasonable penalties.

Then, secondly, they are using a device in their budget which they call a reserve fund, but they at the same time are making commitments that almost certainly will spend down that reserve fund: increases in defense spending, agricultural assistance. Goodness knows, they are not even taking any account of the kinds of farm payments we have had to make in recent years.

They are promising us a prescription drug coverage under Medicare. How much of that is it going to take for those reserve funds to vanish and, therefore, even less debt reduction to be achieved?

It seems to me that the approach we are taking in the Democratic alternative is far more reasonable, far more responsible. We are reducing the debt by a good deal more than our Republican friends. At the same time, we are taking more realistic account of the investments that they and we say that we are going to have to make.

Instead of the Republican approach, which has been to shout through a tax cut here mainly benefiting the wealthiest people in this country, and then say, well, we will figure out a few months later what the rest of the budget looks like, our approach on the Democratic side has been to roughly take one-third of the surplus and say we are going to commit that to a disciplined paying down of the national debt, beyond what we are already doing with the Social Security surplus, which is applied to debt reduction and to the long-term future of Social Security.

We take another one-third of the surplus and say we are going to apply that to tax relief. That is a large tax cut, and one from which this country will benefit.

Then we take the remaining third and apply it to investments which really both parties have committed to, in strengthening defense, providing a prescription drug benefit under Medicare, investing in education, investing in research.

I do want to return to what our colleague said about the National Science Foundation, an important component of that. We will be investing in roads and transit. Goodness knows, my district in North Carolina is well aware of the need for that investment.

It will be one-third, one-third, one-third, a balanced program of debt retirement, tax relief, and targeted, prudent investments. It seems to me that is a sound basis on which to proceed. I very much hope that before this process is over, that is the kind of process that we can all be part of.

Mr. KIND. I appreciate the gentleman's insight in this matter. Obviously, he has been directly involved in

the creation of many budgets, and analyzing them as a member of the Committee on the Budget and the Committee on Appropriations.

I think that is one of the great differences between the Democratic alternative and what the majority is offering this week, is that we are taking a more balanced approach on projected surpluses.

First of all, we are hedging our bets a little bit. We are saying a lot of the surplus is speculative. Let us be honest, over two-thirds of the projected surplus will not even happen, if at all, until 6, 7, 8 years from now, so there is not a lot of wiggle room right now.

Mr. PRICE of North Carolina. If the gentleman will yield, well over two-thirds of that projected surplus is more than 5 years out. There have been a number of analysts in recent days that have pointed out the ominous fall in the stock market and what that will do to capital gains receipts, and the effect that will have on the projected surpluses.

Then look at what is happening in the States. In my State of North Carolina, and I understand something like half the States, the budget is taking a dive. The economic situation is deteriorating. We hope that that does not become worse, but surely it would be foolish for us to ignore those signs in projecting our Federal surplus.

Mr. KIND. Reclaiming my time, Mr. Speaker, I agree with the gentleman wholeheartedly, even in the State of Wisconsin, where we are following on the heels of a big tax cut that was just enacted, and now we are looking at a revenue shortfall of over 600 million to \$1 billion in the next biennium. This is a consistent theme now from State to State from perhaps ill-considered economic gains in the coming years.

In just looking at the Republican budget resolution, to be honest, there are some smoke and mirrors being played here. If anyone believes they are only going to go with a 2 percent defense increase in this budget, take the fact that they are not allocating any money at all to a missile defense program, when we know the Bush administration has made this one of their top priorities, and missile defense can be extremely costly; or calling for an 8 percent real budget cut in agriculture programs when we know we are in the middle of an agriculture depression right now. We have seen the farm relief packages that have passed this Congress with bipartisan support in the last few years. It is just not realistic with the American people or honest with the American people on what their true spending costs are going to be in the budget.

The point I was making earlier is that back in 1981, we could afford to make a mistake. We could afford to take a gamble on passing a large tax

cut plan that President Reagan was advocating. He was also advocating a large increase in defense spending. That is, in fact, what happened. So if we couple a large tax cut with a large increase in spending, that is what occurred within the 1981 economic plan. It led to a decade of annual deficits, which led to the \$5.7 trillion of national debt that we now have and that we are wrestling with and trying to dig ourselves out from under.

Back then we could have an opportunity to recover from that type of fiscal mistake that was made. I am not confident at all that if we go down the same road, that we can recover in time for the baby-boom generation's retirement.

President Bush was here in the well not too long ago quoting Yogi Berra saying, "When you come to a fork in the road, take it." Yogi Berra was also famous for saying, "This is *deja vu* all over again." What they are offering in their budget resolution, with the large tax cut plus what will inevitably lead to a large increase in spending, especially in the defense area, and there will be bipartisan support for defense modernization, is a redo of the 1981 economic plan that led to the \$5.7 trillion of national debt that we are trying to recover from, which resulted in the 1990s, in the Clinton administration, of putting together budget packages that would get us the balance, and then start running these surpluses.

So I hope we do not repeat the mistakes of the past, and we learn from what happened then so we can better prepare for the challenges of the future.

Mr. PRICE of North Carolina. If the gentleman will continue to yield, I cannot imagine that with the surpluses that we are running now, and seeing the baby boom retirement ahead and the implications that has for Social Security and Medicare, I cannot imagine that we would not want to get that national debt reduced down to the absolute minimum so we do not have this \$200-plus billion in debt service each year awaiting us now, and so that we are in a better position to meet that challenge when it arises.

It is just incredible in this context to be saying, let us not pay down the debt too much. As one of our colleagues said, it is like a 400-pound man deciding he had better not go on a diet lest he become anorexic. That is not really our problem. Our problem right now is to systematically and in a disciplined way pay down that national debt, get that debt service off our back, get ourselves in a strengthened position to meet the challenges that surely lie ahead.

Mr. KIND. I could not agree with the gentleman more. Interestingly enough, that is the feedback I constantly hear from my constituents in western Wisconsin. They look at me and say,

"What are you guys doing out in Washington?" Because they kind of view these Federal budget terms the same way they look at their own family finances. If there is debt they are responsible for, they understand they have a responsibility for taking care of that first before they embark on new spending programs or large new tax cuts. That seems to be the overwhelming, clear preference for the people living back home in Wisconsin.

Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN), a good friend and someone who has some very strong opinions with regard to this budget resolution.

Mr. ALLEN. Mr. Speaker, I thank my friend, the gentleman from Wisconsin, and my colleagues for being here tonight to talk about this budget resolution. At last it seems like we are going to be discussing at least the beginnings of an overall budget resolution with a few numbers; not a lot of numbers, not the kind of detail that apparently we may not see until May or June, but at least we are starting to engage in an important debate here.

I want to follow up on what the gentleman from North Carolina (Mr. PRICE) and the gentleman from Wisconsin (Mr. KIND) have been saying about the need to pay down the national debt and to meet our responsibilities. That word "responsibilities" seems to have been lost in terms of our friends on the Republican side of the aisle as they get into the debate on this budget resolution.

We have several responsibilities. I am struck by one in particular. That is the responsibility to meet the authorized Federal share of funding for special education. This is a program that was created in 1975, and within a few years the Congress authorized the Federal Government to pay up to 40 percent of the cost of special ed.

I suspect that it is as true in Wisconsin as it is in Maine. When I go out and talk to educators in Maine, the business people involved in education, the teachers, the superintendents, the members of the school boards, their number one concern, their number one request, is full funding of the Federal share of special education.

In Maine, that would be an additional \$60 million per year. It is a huge amount of money. Yet, in our districts, over and over again, the local taxes and State taxes are being used to pick up the abdication of the Federal Government for its responsibility to fund special education. So local money and State money is being put into educating special ed students, and a good many of our regular students are finding that they do not have textbooks. They are in classes that are too large, and they are in schools that are run-down.

Before we have dessert first with a tax cut of this size, we really ought to

meet our responsibilities. We ought to pay down a larger share of the national debt, and we ought to fully fund special education.

Today I went before the Committee on Rules with a proposed amendment that I hope will be approved to come to the floor tomorrow, but I cannot count on that, an amendment that would take this historic opportunity to fully fund the Federal portion of special education. It would mean an additional \$11 billion. It has nothing to do with a new program. This is an old program that deserves a new promise, or, rather, the fulfillment of an old promise to fully fund special education.

That sum, \$11 billion, is something we could not have conceived of except for this year, only with the kinds of projected surpluses that we see in front of us.

I believe that we have the right approach. We can have a tax cut about half the size of what the President proposes, and if we do that, we can do a Medicare prescription drug benefit, we can fully fund special education, and we will still have close to \$800 billion to shore up Medicare and Social Security, and to have some sort of cushion against the possibility that these projections just will not work out as they are projected to be now.

□ 2230

We need balance.

The final thing I would say is this: the President came up to the State of Maine last Friday, and he made his usual pitch. To hear him describe and to hear our friends on the other side of the aisle describe what is going on, they say, well, we have met our responsibilities, and we have a trillion dollars contingency fund, which my colleagues and I know is not there; and then they say we are dealing with the money that is left over.

Mr. Speaker, I ask, does anyone in the country believe that the President's last priority is tax cuts? We all know that is the first priority. That is where the money is coming from. As the American people begin to understand, as they see real numbers, they will realize that a tax cut of \$1.6 trillion is so large that we cannot deal with other priorities fully funding old programs like special ed or dealing with new emergencies like the high cost of prescription drugs for our seniors.

It seems to me we have to take account of the fact, as all of my colleagues have been saying, that we do not know that these projections will come in as promised or as projected and, therefore, we have got to be disciplined.

This is the time to shore up Social Security and Medicare, to prepare for a

future when we will have more claimants in those programs and be responsible about our budgeting. The Republican budget resolution is not responsible and, therefore, it should be rejected.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. KIND. Mr. Speaker, I just want to commend the gentleman from Maine (Mr. ALLEN) for the leadership that he has provided this House in regards to getting this Congress to live up to the Federal Government's responsibility for funding special education costs.

The gentleman mentioned the 40 percent level where we should be, but I do not think too many people back home realize we are only funding it at slightly less than 15 percent of that 40 percent share. This is a challenge that is not going to go away.

We have a collision course with school budgets and modern medicine, where we are seeing more and more children who in the past normally would not have survived to live to school age entering the school systems, bringing the special needs with them and the increased costs. That is what IDEA is; that is what special education is all about.

If we can get one thing right in the education component of this budget, it is getting to our full share, that 40 percent level, of special education, which would provide tremendous relief to local school districts so they can use resources to implement the reforms that they would like to make; but they cannot because so much of their resources are being diverted to cover for our shortfall in IDEA and special education.

The gentleman and I have been working together on a task force to elevate this issue and to highlight it and we are going to continue doing it, reaching across the aisle trying to gather bipartisan support, because it is more than just funding IDEA. It is really a civil rights issue as well.

These children bring special needs to the classroom. They deserve to have access to a quality education like any other children in this country, but we are selling them short. We are not living up to our responsibility, our commitment to them to get the job done.

We can very easily do that if we make it a budget priority, and that is what this budget resolution is all about. It is a reflection of our priorities and our values as a country and what we are willing to invest in or not invest in.

Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. The gentleman reminds me of a point I wanted to make. Fully funding special education by the Federal Government would help special education students obviously. It would also help regular students because, frankly, State and local money that is now

being diverted to fund special education would be available for textbooks and additional programs for regular students.

Third, it would really help relieve pressure in the future on local property taxpayers. There is no question in my mind if we have a \$1.6 trillion tax cut, the pressure on local property taxpayers is going to go up much faster than if we have a more responsible tax cut, balanced with investment in education and health care and with a reserve left to shore up Social Security and Medicare.

Mr. Speaker, I thank the gentleman for yielding.

Mr. KIND. I thank the gentleman for his leadership.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. HOLT), my friend.

Mr. HOLT. Just on that point, we wanted to talk about education funding and the obligations we have. With all of the talk about increased attention to education, the fact of the matter is that the budget of the majority party is less as a percentage increase in spending than any of the past 6 years; and to put it really into perspective, to see what is really at work here, when we face an obligation of something on the order of \$100 billion to meet our obligation for special education, the majority party is presenting as a tax cut for the top 1 percent of Americans 13 times as much money as they are proposing for all of their educational reform and new educational initiatives. That, I think, is a stark difference.

I thank the gentleman for yielding.

Mr. PRICE of North Carolina. If the gentleman will yield for a brief point, I am sure we all remember that back during the campaign, George W. Bush campaigned on a \$5,100 Pell Grant, wanting to get the maximum Pell Grant award for freshman up to \$5,100; and yet in this education budget, we are dealing with, it appears, a \$1 billion increase in the entire Pell Grant program. And our budget analysts tell us that would get the maximum award up to about \$150. So the maximum award would become something like \$3,900.

To say the least, that is not \$5,100. And it just does not represent the kind of investment in education we need to be making and that the political rhetoric would indicate that both parties want to make.

Mr. KIND. Suffice it to say, as a member of the Subcommittee on 21st Century Competitiveness of the Committee on Education and the Workforce, we are waiting with baited breath for the details of the President's higher-education funding priorities because this is all about access to higher education for students.

And if we want to slow down economic growth in this country, that is one sure way of doing it is underinvesting and access to postsecondary educational opportunities.

I would like to yield to the gentleman from Washington (Mr. INSLEE), my friend.

Mr. INSLEE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I appreciate the gentleman's leadership in getting this group together. I just have a couple of points I want to make; and perhaps it expands on a few issues people have been talking about. First is personal disappointment by a guy who turned 50. I turned 50 last week, and it made me think about, besides imminent mortality, of course, the generation we are in and how this budget is such a disappointment to those of us who are in the baby boom generation and really see this as an opportunity for the baby boom generation to grow up; a real opportunity for the baby boom generation, who at times have been accused of being a little self-absorbed, a little selfish, to really decide we are going to do something pretty dramatic, which is take responsibility for our own retirement.

Because the baby boom generation with all of our great attributes, having given birth to the Beach Boys and rock and roll and some of those good things we brought to the country, but what we give to the country is a prospective economic collapse starting about 10 years from now when we start to retire. This budget which we are going to vote on in the next few days is really going to tell us what the baby boomer generation is about, whether we are going to be about irresponsibility and sort of hiding behind these fiscal hallucinations saying these things are honky dory for the last 10 years and pass the majority's budget, or whether the baby boom generation is going to stand up and say we are going to be responsible for our own retirement.

Because everybody knows from the Members the gentleman has up here today shows that when we start to retire 10 years from now, that looks fairly decent the next 10 years, but the day we start to retire 10 years from now all heck breaks loose, and we go right down back into the enormous hole in Social Security and Medicare benefits, unless we make some investments today in our future and paying down the debt and taking care of Social Security and Medicare, which this budget in a starkly obvious fashion does not do.

I do not think this budget is about numbers. This budget is about whether the baby boom generation is going to grow up and take personal responsibility for their own retirement. And this budget proposed by the Republicans says we will not, and I think that is wrong.

As a recently turned 50-year-old, I think we ought to stand up and take care of our own retirement. And the majority party has sort of said, they show us these numbers, we have seen their charts, and they say during the next 10 years, we are going to have

these rosy surpluses. There may be some surpluses, if things go perfectly. We do not know that, but there may be some.

But after those 10 years, what they do not tell you, everything goes negative. It is really interesting. Almost 10 years to the day, almost everything goes negatively very, very rapidly when we start to retire.

I think what their economic policy is tantamount to is the guy who has fallen out of the 20-story, the 20th floor of the building, and he goes through and we know the stories, he passes the 10th floor on the way down and the guy says how are you doing, he says okay so far.

I think it is time for the baby boomers to reject this budget and take responsibility for our own retirement. It is the right thing to do to our kids and for our kids, and I hope we will be successful as we go down this road.

Mr. KIND. I thank the gentleman for his comments and a point well made.

Mr. Speaker, I want to thank the gentleman from South Carolina (Mr. SPRATT) for all of the work and the effort that he has and his staff has put in during the course of the last couple of months in putting together a solid Democratic alternative, one that recognizes that we need to maintain balance, that there is strong support within the Democratic party to provide responsible and fair tax relief to all Americans, that there is support within the Democratic party and recognizing the need to modernize our defense capability, which is going to cost some investments.

It is going to require investments over the next 10 years to get there, someone who is recognized in the alternative budget proposal that he has offered and the need to invest in scientific and medical research, and the importance of investing in education for our children and access to education for the higher-education programs that we support, so that the financial aid will be there for our students to go on to college or to technical school.

Mr. Speaker, I think it is a solid proposal. It is well balanced. One third being devoted to debt relief, one third being devoted to tax relief, and one third recognizing the individual responsibilities that we have existing right now.

I commend the gentleman for all of his work that he has put in and his staff has put in.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. SPRATT), our leader on the Committee on the Budget, the ranking member.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Wisconsin for the recognition.

This is a complicated chart, but it says everything about the budget, why we are still here at this hour of the evening talking about it, trying to

make the case, the point that this budget really cuts to the bone.

And I have three problems with the budget in general. First of all, it cuts so close to the margin that it leaves no room for error. If these projections over 10 years, a period that everybody agrees is a precarious amount of time in which to cast economic projections, if these projections are off by the slightest amount, this bottom line here, the so-called on-budget surplus, the surplus remaining after backing out Social Security and Medicare, it is just \$20 billion next year, and by 2005, it is actually negative, because it begins to decline in 2004.

It is never a significant number until about 2008 or 2009. That is the margin of error, the cushion fund, if you will, in case these projections go wrong. So that is a first problem I have with the budget.

What can happen? We just talked about education. If we are wrong here and that goes into the red, then we will see education under pressure again. Discretionary accounts like that that are funded every year will be under the gun again.

Secondly, by committing the lion's share of our surpluses to the massive tax cut they are proposing, and when you provide for the additional interests that we will have to pay because we are using the surplus for tax reduction rather than debt reduction, very little room is left for any other priority.

If we want to see where the difference is, look at education, critically apparent when we look at education, because we have a balanced approach.

We put a third on debt reduction, a third on tax reduction, and a third on priority spending. We have money for the first time, real money for education, \$130 billion over 10 years more than what the Republicans are proposing in their budget, \$130 billion. There is no difference, no comparison between us and them when it comes to education.

That begins at the beginning when we set our framework and said we have got an unusually good stroke of fortune here.

We are now reaping the consequences of fiscal good behavior. We, therefore, want to set aside something for those programs which we have denied and deferred in prior years as we tried to subdue the deficit.

Education leads the list. We think it is the future. We think it is the ladder that holds up opportunity in America. So we allocate \$130 billion more than they do to education.

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Finally, Social Security and Medicare, we all know that, in 2008, the first of the baby boomers will retire. Seventy-seven million of them are marching to retirement right now. They are already born. They are not going any-

where. They will soon be claiming their benefits. We have got about 10 years to get ready. All through the 1990s, we knew this, but we did not have the wherewithal to deal with it. Now that we have the wherewithal, the \$5.6 trillion surplus, we have an obligation. We have an obligation to deal with it.

As I have said earlier, we may be sitting on what appears to be an island of surpluses, but we are surrounded by a sea of debt. A large part of that debt is not monetized. It is unfunded, so to speak. It is represented by the promises that have been made to the beneficiaries that have yet to retire but, nevertheless, need those benefits when they do retire for Social Security and Medicare.

The unfunded liability of those programs today, if we funded the account adequately to provide for their solvency indefinitely into the future is \$3.1 trillion. That is the unfunded liability. Now, we can either take some of our surplus and use it for that, or we can slough the problem off on to our children and let them pay for our retirement, the baby boomers' retirement.

What is the morally responsible thing to do? It is to take some of the surplus we have now and set it aside for Social Security and Medicare, and that is exactly what we do.

The first thing we do in our budget, we take a third of the surplus, \$910 billion, we assign it to the future of these two programs in equal accounts, to Medicare and Social Security; and it ensures the solvency of these programs, Medicare to 2040, Social Security to 2050. That is not fiscally irresponsible. That is fiscal responsibility.

Mr. KIND. Mr. Speaker, the gentleman from South Carolina (Mr. SPRATT), as the ranking member, is obviously much more familiar with the numbers of the budget resolution than I. I have a question for the gentleman. There is a lot of talk about this \$5.6 trillion surplus over the next 10 years. But what is that reduced by if we do, in fact, take the Social Security and Medicare trust funds out of the equation? Where does that leave the surplus total at that point?

Mr. SPRATT. Mr. Speaker, even if we do that, what we are doing when we take them out of the equation is using the surpluses accumulating for now in those two trust accounts to buy up debt we incurred in the past, outstanding debt. In the past, we used it to fund new debt; and the proceeds of that new debt we used to fund new spending.

Now, we have both agreed, I will give the other party credit, we have both come to an accord that we will use both of these programs solely to buy up existing debt. Unfortunately, our Republican counterparts are breaking faith with us on the Medicare part A trust fund, the HI trust fund, because they are effectively saying we can use

some of that to pay for prescription drug benefits under Medicare. \$153 billion of the \$392 billion that will accumulate over the next 10 years, they say we can spend it on Medicare drug coverage. But if we do that, it will not be there to pay for the other hospital insurance in-patient benefits to which it is primarily obligated.

Mr. KIND. Mr. Speaker, it is my understanding, correct me if I am wrong, a large part of that \$5.6 trillion in surplus everyone is talking about are the surpluses being run in Social Security and Medicare. There seems to be pretty much a universal agreement, at least in this House, that we should not touch that, that that should be set aside and dedicated in preparing for the baby boomers' retirement.

If we did that, that \$5.6 trillion number then is immediately reduced to roughly \$2.7 trillion of surplus over 10 years, again if the projections prove true. But the gentleman from South Carolina (Mr. SPRATT) was just mentioning earlier how close they are cutting it with this budget resolution.

If we look at the \$1.6 trillion tax cut proposal that they have out there, that is not entirely honest with the American people as well because they are not reducing debt as much as we are proposing. There would be an additional half a trillion or \$500 billion on debt interest over the next 10 years, so that \$1.6 trillion tax cut immediately jumps up to \$2.1 trillion that we would have to pay for.

If we are going to deal with the alternative minimum tax, and everyone around here understands we need to deal with that so more working families are not included, that is going to be an additional \$200 billion, \$300 billion over 10 years to fix that problem.

If we extend the tax extenders as we do every year in this place, it is an additional \$100 billion that is going to be added to the 1.6. So that \$1.6 trillion tax cut would actually balloon up to roughly \$2.6 trillion. If we only have roughly \$2.7 trillion as a margin of error, that does not leave us with a heck of a lot of room to do virtually anything else, let alone reforming Social Security, Medicare, dealing with the prescription medication program, which I think a lot of people believe we need to take action on, or the education investment that we have to make.

Are those numbers pretty accurate?

Mr. SPRATT. Absolutely, Mr. Speaker. Look at the bottom line on this chart again, complicated as though it may be. In 2002, the amount left over is \$20 billion. It is a lot of money. But keep in mind that that does not include the plus-up for defense, and it does not include the plus-up for agriculture. The two of those could easily be \$15 billion, even \$20 billion, in which event we are in the red again. We are dipping into those trust funds as early

as 1 or 2 fiscal years from now. It is right there. The numbers are right there. It is their particular budget proposal. That is how close to the margin it comes.

Now, there is an appearance abroad that this budget allows us to sort of have our cake and eat it, too, to have big tax cuts and not really to have any significant programs cut that are important to people, particularly children.

One of the things that the President touts in his budget is he increases NIH by \$2.8 billion and takes it one step away from doubling over a period of 5 years. So do we. It is important. We agree with that. However, if we read on, we find that that \$2.8 billion increase in the NIH budget comes out of its parent agency, the Department of Health and Human Services. It comes out of its hide.

They also have other important agencies: the Center for Disease Control, the CDC, the community health centers. They suffer so that NIH can get the plus-up. We provide NIH the plus-up and also adequately raise the HHS budget so that other good important health programs do not have to suffer to pay for the widening wedge for NIH. They do not.

Let me tell my colleagues something else. One of the reasons that I do not think we should be out here tonight or today or tomorrow doing the budget is we still do not have the detail we need to know exactly what is in this budget proposal.

When we press the Secretary of HHS for further detail, he said, "I do not have it. It will come to me April 3 or thereabouts from OMB." When we press the Secretary of Agriculture for further details, we could not get it. She told us she would find out on April 3 also. When we asked the Secretary of Defense to come testify, he would not testify because he is not ready to testify. But we know he is coming back with a big bag for more money.

However, look at what happens as a result of trying to plus-up some things while holding other things constant. In HHS, here we have a President who ran on the campaign slogan that he would leave no child behind. He told us in his State of the Union message that his wife, a lovely woman, Laura, was a librarian, and she would see to it that children's programs were properly attended to.

Look carefully at the HHS budget when it comes. Based on documents released last week to the New York Times, there are three major cuts. Where are they coming in the HHS budget? In children's program. Why did he cut them? They have no voice.

We finally got the child care and development block grant up to \$2 billion last year. Why were we pushing to get it up? It is a central ingredient for welfare to work. If mothers do not have

child care, they cannot leave their kids alone at home. So we had to do it. We raised it \$800 million to \$2 billion. Still not enough. But it includes and covers 214,000 additional children. What has been targeted at HHS for reduction by OMB? You got it, \$200 million out of children, child care.

We also added money to the account for abused and neglected children, just \$178 million in the whole budget of HHS. What has been targeted for cuts? According to the New York Times, that particular program, taking money from abused, neglected children.

Finally, we dealt with some huge omissions that have been overlooked for years and is not at all defensible. Most Americans do not know it, but graduate medical education, interns and residencies, are paid for through the Medicare program, indirectly, but substantially, to the tune of about \$10 billion. That is fine for everybody but pediatricians. They do not see patients on Medicare.

So our children's hospitals have not enjoyed that kind of subsidy in the past that all other specialties have enjoyed at the teaching hospitals. We finally corrected that last year with a \$235 million fund, and that, too, is under target.

So when one talks about a budget that is providing for our needs and wants, not leaving any child behind, what one sees is that this big tax cut has even shoved the most critical and sensitive programs on the back burner.

Mr. KIND. Mr. Speaker, I want to thank the gentleman from South Carolina (Mr. SPRATT) for his insight tonight, his expertise, the work product that he has been able to produce in the alternative budget resolution. Hopefully it is opening up a lot of eyes in regards to what the majority party is offering, the promises that they are making, and the lack of details that they are providing right now. I thank the gentleman for his work.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I would like to follow on some of the things that our distinguished ranking member has covered. In addition to some of the things that the gentleman from South Carolina (Mr. SPRATT) has talked about, the Republican budget would result in cuts in the following programs: the Environmental Protection Agency; the Department of Agriculture, including field offices; the National Aeronautics and Space Administration; Renewable and Alternative Energy, which is critically important, we have been reminded recently; Army Corps of Engineers; Federal support for railroads; the Small Business Administration; Community Development Block Grants; the Department of Justice. We had talked earlier about the hit that the community-oriented policing program would



take. Legal Services Corporation, and on and on.

Something that troubles a lot of us a great deal is what would happen to environmental initiatives and land use initiatives. President Bush has made two environmental promises. One is to provide \$900 million or what is called full funding for the Land and Water Conservation Fund. This is a fund for acquiring open space and parks and recreation and to eliminate \$4.9 billion of maintenance backlog in the National Park Service. However, with his funding totals, he can only live up to these promises by consulting other vital environmental and natural resource programs.

So the Republican budget does not add up. The Republican budget would shorten the solvency of Medicare as the gentleman from South Carolina (Mr. SPRATT) and others have pointed out. The Republican budget would not live up to our obligations in education and would fall short of our obligations in providing health care for veterans.

All of this is because, seen from a 10-year projection, it looks like there is so much money that it seems possible to offer a two point something trillion dollar tax cut. Well, it is not possible if we are going to do these other things, if we are going to meet our obligations, if we are going to be fiscally disciplined so that we can have consumer confidence and investor confidence and a sound economy.

Mr. KIND. Mr. Speaker, I thank the gentleman from New Jersey (Mr. HOLT) for joining us here this evening.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. LAMPSON (at the request of Mr. GEPHARDT) for today and the balance of the week on account of official business.

Ms. BALDWIN (at the request of Mr. GEPHARDT) for today on account of family illness.

Mr. SHAW (at the request of Mr. ARMEY) for today and until 3 p.m. March 28 on account of illness in the family.

Mr. STEARNS (at the request of Mr. ARMEY) for today on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KIND) to revise and extend their remarks and include extraneous material:)

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Ms. ROS-LEHTINEN) to revise and extend their remarks and include extraneous material:)

Mr. BILIRAKIS, for 5 minutes, today and March 28.

Mrs. WILSON, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today and March 28.

Mr. KELLER, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, March 28.

Mr. PLATTS, for 5 minutes, March 28.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 295. An act to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes; to the Committee on Small Business in addition to the Committee on Agriculture for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

S. 395. An act to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration; to the Committee on Small Business.

#### ADJOURNMENT

Mr. KIND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 28, 2001, at 9 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1346. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Diflubenzuron; Pesticide Tolerance Technical Correction [OPP-301112; FRL-6776-4] (RIN: 2070-AB78) received March 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1347. A letter from the Principal Deputy Under Secretary, Department of Defense, transmitting a Report on Restructuring Costs Associated With Business Combinations; to the Committee on Armed Services.

1348. A letter from the Principal Deputy Under Secretary, Department of Defense, transmitting a report on the Use of Employees of Non-Federal Entities to Provide Services to Department of Defense; to the Committee on Armed Services.

1349. A letter from the General Counsel, Consumer Product Safety Commission, transmitting the Commission's final rule—Dive Sticks—received March 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1350. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Aviation—received March 22, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1351. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Startup and Restart of Nuclear Facilities—received March 22, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1352. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Facility Safety—received March 22, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1353. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources: Commercial and Industrial Solid Waste Incineration Units [AD-FRL-6939-9] (RIN: 2060-AF91) received March 21, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1354. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Project XL Site-Specific Rulemaking for Georgia-Pacific Corporation's Facility in Big Island, Virginia [FRL-6767-8] (RIN: 2060-AJ39) received March 21, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1355. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Control of Air Pollution from New Motor Vehicles: Amendment to the Tier 2/Gasoline Sulfur Regulations [AMS-FRL-6768-1] (RIN: 2060-A169) received March 21, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1356. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—National Primary Drinking Water Regulations; Arsenic and Clarifications to Compliance and New Source Contaminants Monitoring: Delay of Effective Date [WH-FRL-6958-3] (RIN: 2040-AB75) received March 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1357. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants: Publicly Owned Treatment Works [AD-FRL-6955-7] (RIN: 2060-AF26) received March 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1358. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Spain [Transmittal No. DTC 005-01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1359. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 003-01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.